

Message Text

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12

ACTION EUR-06

INFO OCT-01 ISO-00 EB-05 DRC-01 RSC-01 /014 W

----- 029201

R 051655Z JUL 74

FM AMEMBASSY STOCKHOLM

TO USDOC WASHDC

INFO SECSTATE WASHDC 2350

AMCONSUL AMSTERDAM

AMEMBASSY BELGJDE

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY BUDAPEST

AMEMBASSY COPENHAGEN

AMCONSUL FRANKFURT

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMCONSUL MILAN

AMCONSUL MUNICH

AMEMBASSY PARIS

AMEMBASSY PRAGUE

AMEMBASSY ROME

AMEMBASSY VIENNA

AMCONSUL ZURICH

UNCLAS SECTION 1 OF 2 STOCKHOLM 2908

E.O. 11652: N/A

TAGS: BEXP, SW

SUBJ: COMMERCIAL PROGRAM: PROPOSED IOGA TRADE MISSION

REF: USDOC 9304

1. NO OBJECTION SUBJECT IOGA MISSION THIS POST WEEK NOMBER
4-8 WHICH COMPLETELY CLEAR LOCAL HOLIDAYS. MOREOVER, FULL
FACILITIES STC AVAILABLE ENTIRE PERIOD (INCLUDING EXHIBITION
HALL, LOUNGE, CONFERENCE ROOM, AND LIBRARY) AND WILL BE
TENTATIVELY RESERVED FOR SUBJECT IOGA PENDING DEPARTMENT'S
CONFIRMATION.

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2. UNFORTUNATELY, THIS DIFFICULT PERIOD OBTAIN ACCURATE CURRENT ASSESSMENT MARKET SITUATION SWEDEN IN VIEW OF LONG-STANDING SWEDISH TRADITION CLOSE DOWN DURING MONTH JULY FOR ANNUAL SUMMER HOLIDAYS. NEVERTHELESS, RELEVANT FACTORS REQUIRED BY BIC/OIM AND INDUSTRY CONSTITUENTS TO MAKE JUDGEMENT AS TO VIABILITY MISSION THIS MARKET ARE AS FOLLOWS:

A. UNIVERSE OF MILLS: AS OF END 1971 THERE WERE 88 SPINNING MILLS IN SWEDEN WITH 278,000 SPINDLES OF FOUR TYPES (RING, TWINE, MULE AND CELACTOR SPINDLES AND OTHER PRIMARY SPINDLES). WE UNDERSTAND THAT FURTHER CONSOLIDATION OF INDUSTRY HAS OCCURED SINCE LAST AVAILABLE DATA; HOWEVER, STATISTICAL TIME-LAG AND CURRENT VACATION PERIOD MAKES IT IMPOSSIBLE ARRIVE AT MORE PRECISE DATA AT THIS TIME.

(1) MILLS ARE LOCATED LARGELY IN WESTERN SWEDEN CLUSTERED IN AND AROUND CITY OF BORAS. THERE IS SOME DISPERSAL SLSEWHERE BUT NO GREAT SIGNIFICANT CONCENTRATION. BORAS IS 413 KILOMETERS FROM STOCKHOLM AND 66 KILOMETERS FROM GOTHENBURG, SWEDEN'S SECOND LARGEST CITY AND THE CHIEF PORT OF SCANDINAVIA.

(2) MOST OF FIRMS HAVE SALES AND/OR REPRESENTATIVE OFFICES IN STOCKHOLM.

(3) PRESTIGIOUS SWEDISH TEXTILE INSTITUTE LOCATED IN BORAS AS WELL AS ACTIVE CHAMBER OF COMMERCE. LATTER HAS COOPERATED WITH STC ON OTHER PROGRAMS; GOTHENBURG CHAMBER WAS MOST HELPFUL IN FALL 1972 FOOD PROCESSING AND PACKAGING MISSION WHICH MAINTAINED BIOS STOCKHOLM AND GOTHENBURG. WE UNABLE CONFIRM ANY PROGRAMS THIS TIME BUT ASSUME USUAL COOPERATION WOULD BE FORTHCOMING DEPENDING ON FURTHER DEVELOPMENTS.

B. UNIVERSE AGENTS/COMMERCIAL AGENTS AND YERS DEALING WITH MILLS RELATIVELY SMALL. DOES NOT EXCEED FIFTY WITHIN FEDERATION OF SWEDISH WHOLESALERS AND IMPORTERS AND FEDERATION OF COMMERCIAL AGENTS. HOWEVER, MOST OF LARGE MILLS DO THEIR OWN BUYING. FOR EXAMPLE, VERY LARGE BORAS WAVERI, SPINNING COTTON AND BUYING SYNTHETICS, NOW BUYING AT RATE OF HALF MILLION POUNDS BLENDS AND SYNTHETICS DIRECTLY THROUGH OWN UNCLASSIFIED

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PROCUREMENT SYSTEM FROM UK (ICI) AND FROM WEST GERMANY AND JAPAN. HOWEVER, AS WOULD BE EXPECTED, SUPPLY/PRICE SITUATION HAS BEEN VERY DIFFICULT SINCE LAST FALL.

(1) FYI, MILLS TELL US THEY CAN NOW WEAVE GRAY CLOTH AT POINT ON COST CURVES AT LESS THAN VARIABLE COSTS; HOWEVER, AS RESULT OF SHAKEDOWNS AND CONSOLIDATIONS OVER LAST TWO YEARS, THEY DO NOT HAVE WEAVING CAPACITY AND ARE CONTINUING TO BUY - AS THEY

CAN - GRAY CLOTH FROM PEOPLE'S REPUBLIC OF CHINA, PHILIPPINES,
PORTUGAL AND HONG KONG.

(2) IN BLENDS, BORAS WAVERI CLAIMS TO HAVE APPROXIMATELY
50 PERCENT OF SWEDISH WEAVING CAPACITY.

(3) MAIN PRODUCTION LINES HERE ARE IN HOME DECORATIONS:
CURTAINS; DRAPERIES; QUILT COVERS; BED SPREADS.

(4) TO AN INCREASING EXTENT, BORAS WAVERI AND EISER (LATTER
HAS FACILITIES IN US) EXPANDING THEIR MADE-UPS PRODUCTION
IN FACILITIES IN FINLAND.

C. CURRENTLY AVAILABLE TRADE STATISTICS AS FOLLOWS: SWEDISH
IMPORTS IN LONG TONS. COTTON YARNS AND BLENDS PER SIC NOS.
228113; 2281213; 2281015 FOR BTN CATEGORIES 55.05.190;
55.05.202; 55.05.203; 55.05.501; 55.05.502:

	1971	1972
FROM USA	0	0
FROM EEC	72	67
FROM EFTA	184	108
TOTAL:	261	207

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ACTION EUR-06

INFO OCT-01 ISO-00 EB-05 DRC-01 RSC-01 /014 W
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R 051655Z JUL 74
FM AMEMBASSY STOCKHOLM
TO USDOC WASHDC
INFO SECSTATE WASHDC 2351
AMCONSUL AMSTERDAM
AMEMBASSY BELGRADE
AMEMBASSY BERN
AMEMBASSY BONN
AMEMBASSY BRUSSELS

AMEMBASSY BUDAPEST
 AMEMBASSY COPENHAGEN
 AMCONSUL FRANKFURT
 AMEMBASSY THE HAGUE
 AMEMBASSY LONDON
 AMCONSUL MILAN
 AMCONSUL MUNICH
 AMEMBASSY PARIS
 AMEXUSY PRAGUE
 AMEMBASSY ROME
 AMEMBASSY VIENNA
 AMCONSUL ZURICH

UNCLAS FINAL SECTION OF 2 STOCKHOLM 2908

(1) SYNTHETIC YARNS; ACRYLIC/POLYAMID/POLYESTER; PURE AND
 BLENDS AND REGENERATED FIBER YEARNS. SIC NOS. 2281303; 2281353;
 2281323; 2281401; 2281431; 2281421; 2281441; 2281461;
 2281491; 2281492; 2281481 FOR BTN CATEGORIES: 56.05.101;
 56.05.102; 56.05.103; 56.05.104; 56.05.109; 56.05.101;
 56.05.309; 56.05.500; 56.05.700;

	1971	1972
FROM USA	0	2
FROM EEC	437	540
FROM EFTA	466	398
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TOTAL	922	955
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TOTAL ALL 1971: 1183; 1972: 1162

L WE AWARE OF PROBLEM OF SOURCING AS REGARDS THE INDUSTRIAL
 FREE TRADE AGREEMENT BETWEEN SWEDEN AND EEC WHICH WENT
 INTO EFFECT IN 1973. HOWEVER, STATISTICAL DATA NOT NOW
 AVAILABLE TO REFLECT IMPACT AND NOT POSSIBLE ASSESS MILLS/
 IMPORTERS DUE VACATION PERIOD. WE WILL ATTEMPT MAKE SOUNDINGS
 AND REPORT FURHTER. MEANWHILE, OF COURSE, IT SHOULD BE NOTED
 THAT SOURCING HAS NO IMPACT ON SWEDISH HOME MARKET AND
 EXPORTS THIRD COUNTRIES.

3. MISSION PLANNING WOULD NO DOUBT REQUIRE VISITS BY
 MEMBERS TO MILLS AND DISCUSSIONS OUTSIDE STOCKHOLM SHOULD
 MARKET FACTORS SUGGEST SUCH A MISSION PROCUREABLE BY BIC/OIM.
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